

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

United States Courts
Southern District of Texas
FILED

MAY 25 2004

Michael N. Milby, Clerk
MDL-1446

In re ENRON CORPORATION
SECURITIES LITIGATION

MARK NEWBY, et al., Individually and On
Behalf of All Others Similarly Situated,

Plaintiffs,

-v.-

ENRON CORP., et al.,

Defendants.

Civil Action No. H-01-3624
(Consolidated, Coordinated
and Related Cases)

U.S. COURTS
SOUTHERN DISTRICT
OF TEXAS

2004 MAY 26 AM 8:03

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**ARTHUR ANDERSEN LLP'S MEMORANDUM
IN RESPONSE TO THE BANK DEFENDANTS'
MOTION FOR MODIFICATION OF THE SCHEDULING ORDER**

Arthur Andersen LLP ("Andersen") takes no position on the Bank Defendants' pending Motion for Modification of the Scheduling Order ("Motion"). Andersen responds solely for the purpose of clarifying the history and status of its document production. As set forth below, Andersen is in full compliance with the Court's orders regarding document production and was one of the first to comply with its obligations under the Court's July 11, 2003 Scheduling Order. At issue here are two later-served document requests by the Bank Defendants; Andersen has responded fully to one, and is diligently responding to the other one, expecting to have its production completed within thirty days. Andersen has communicated regularly with a representative of the Bank Defendants about the scope, prioritization, and pace of its several document productions, and until May 14, 2004 (just days before the Bank Defendants filed their present Motion), Andersen was unaware that they had any issue with those

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productions -- and certainly unaware that the Bank Defendants believed it necessary to alter the current deposition schedule because of them. In short, Andersen has proceeded expeditiously and in good faith.

FACTS REGARDING ANDERSEN'S PRODUCTION OF DOCUMENTS

Lead Plaintiffs' Requests for Documents

Andersen first received a Request for the Production of Documents from Lead Plaintiff on or about May 14, 2002. At that time, discovery was stayed under the provisions of the Private Securities Litigation Reform Act ("PSLRA"), 15 U.S.C. § 78u-4(b)(3). Andersen served written responses to those requests January 20, 2003 -- more than three months prior to the Court's April 2003 ruling on the motions to dismiss. See Affidavit of Ethan J. Brown ("Brown Aff."), ¶ 2.

On or about May 30, 2003, Andersen produced its Enron-related workpapers, consisting of approximately 500,000 pages, to the Enron Document Depository ("Depository"). See Brown Aff., ¶ 3. This was one of the first productions made by any party to the Depository.

Following discussions with Lead Plaintiff regarding the scope of its May 2002 requests, Lead Plaintiff advised Andersen that it did not seek further production of documents from Andersen. See Brown Aff., ¶ 4. At a hearing before the Court in July 10, 2003, counsel for Andersen disclosed in open court the status of its production, and the arrangement that Andersen had negotiated with Lead Plaintiff -- pursuant to which Andersen was producing less than its entire collection of documents:

MR. RUTHBERG: We actually were one of the first to produce documents here into the depository. We did not produce 13 million documents. The documents that were demanded by the lead plaintiffs when we culled through and talked with the lead plaintiffs, it turned out what they were really looking for was half a million documents and that's what we produced and they're available in the depository.

July 10, 2003 Hearing Transcript ("Hearing Tr.") at 65:10-16, attached as Brown Aff., Exh. B.

On July 11, 2003, the Court issued a Scheduling Order setting October 1, 2003 as the date by which document discovery should be substantially complete. Brown Aff., Exh. C. Andersen fully complied with that Order by producing before October 1 the documents requested by Lead Plaintiff; as of October 1, the Bank Defendants had not issued any document request to Andersen.¹

The Bank Defendants' Requests for Documents

First Bank Request

On or about November 26, 2003, six months after producing all documents requested by Lead Plaintiff, Andersen received the Bank Defendants' First Request for Production of Documents. That the Bank Defendants served this request illustrates that they, like all parties, knew and understood that Andersen had not produced documents beyond the 500,000 pages of workpapers discussed at the July 10, 2003 hearing. In their November 26, 2003 Request, the Bank Defendants sought documents from Andersen that had previously been produced to governmental entities and civil litigants. The Bank Defendants' Motion does not dispute that Andersen complied with that request. See Motion at 10.

In several telephone calls between mid-December 2003 and mid-January 2004, counsel for Andersen expressly discussed with counsel for J.P. Morgan (who Andersen's counsel believed was acting as a representative of all Bank Defendants) that Andersen would first produce documents responsive to the Bank Defendants' November 26 Request, and thereafter would produce any additional documents that the Bank Defendants might later seek. To

¹ Andersen has received and complied with requests for documents from other parties, including the *Tittle* plaintiffs, the Outside Director Defendants, and the Connecticut Resources Recovery Authority. Andersen also received a Second Request for Documents from the Outside Director Defendants, seeking documents from the files of certain former Andersen employees and documents relating to specific transactions. Andersen has produced documents from the files of each of the identified individuals. Any additional responsive documents in Andersen's collection regarding the referenced transactions are currently being produced. See Brown Aff., ¶ 7.

Andersen's knowledge, the Bank Defendants did not object to this arrangement until May 14, 2004. See Brown Aff., ¶ 9.

Second Bank Request

Following those conversations, on January 22, 2004, the Bank Defendants made a Second Request for Production of Documents seeking, among other things, "[a]ll documents concerning Enron." This Second Request again demonstrates that the Bank Defendants knew and understood the need to seek additional categories of documents that they had not previously requested. On or about March 5, 2004, Andersen agreed in writing to produce documents responsive to these requests. It is only Andersen's production of documents relating to this recent request that the Bank Defendants that is the subject of the Bank Defendants' pending Motion. See Motion at 10-11.

Andersen's Production Regarding the Bank Defendants' Requests

The Bank Defendants' November 26, 2003, Request for Production of Documents asked for prior productions from all other actions. In response, Andersen undertook substantial efforts to comply, which included identifying and gathering documents from its prior productions to the government and other civil litigants in approximately 20 other matters. The Banks' Request required Andersen to spend significant time searching for and removing repetitive documents. While this was going on, Andersen and the Bank Defendants negotiated with Enron a confidentiality stipulation, which was executed on or about February 19, 2004. Moreover, Andersen twice altered the order of its productions to prioritize certain categories of documents that the Bank Defendants requested. See Brown Aff., ¶ 11-12. As of the date of the Bank Defendants' Motion, Andersen had produced approximately 1.6 million pages of documents to the Depository. Those documents include any documents in Andersen's collection from the desk files or e-mailboxes of the Andersen individuals noticed for deposition in June and July. See Brown Aff., ¶ 13.

On January 22, 2004, the Bank Defendants served their Second Request, to which Andersen responded on March 5, 2004. In response to the Second Request and following the

production of the 1.6 million pages of documents called for by the Bank Defendants' November 26, 2003 First Request, Andersen began preparing and completing additional productions. The first such production of approximately one million additional pages has already been sent to the Depository. See Brown Aff., ¶ 14.

Andersen has approximately six million pages of additional responsive documents to produce.² Andersen's vendor has reported that it can complete preparation and production of those documents within approximately 30 days. See Brown Aff., ¶ 15.

CONCLUSION

In short, Andersen has complied with the Court's prior orders regarding document production and is continuing to comply diligently with its obligations to produce documents. Until the Bank Defendants' recent Motion, Andersen believed that the Bank Defendants

² Although Andersen correctly reported that it had *collected* 12-13 million pages of documents for production, a significant number of the electronic documents have now been determined to be unrelated to Enron. The number of pages of documents still to be produced, and accordingly the time needed to produce them, is less than that reported by the Bank Defendants in their Motion. Andersen was unable to obtain from its vendor, and thus unable to provide to the Bank Defendants, the precise numbers of outstanding documents on short notice prior to the Bank Defendants' filing. See Brown Aff., ¶ 17.

Andersen further notes that Lead Plaintiff references in its Opposition at p. 2 that Andersen preserved the equivalent of "billions" of pages of documents in the form of back up tapes and other types of electronic media, as referenced in the Report of Arthur Andersen, LLP on Document Identification, Collection, Restoration, and Retention. The "roughly 250 terabytes of electronic data" referred to in that Report is the total volume of all electronic data collected and preserved by Andersen. The Report is not intended to suggest in any way that all of that electronic data relates to Enron.

understood and agreed to the prioritization and timing of Andersen's document productions, responsive to their First and Second Requests. Andersen expects to have completed its productions pursuant to all outstanding requests within approximately thirty days.

Dated: May 25, 2004

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Rusty Hardin', written over a horizontal line.

Rusty Hardin

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CERTIFICATE OF SERVICE

I certify that on this 25th day of May, 2004, a true and correct copy of the foregoing pleading was served on all counsel pursuant to the Court's orders concerning service in this action.



Andrew Ramzel

3. On or about May 30, 2003, Andersen produced its Enron-related workpapers, constituting approximately 500,000 pages to the Enron Document Depository ("Depository").

4. At approximately that same time, I participated in discussions with counsel for Lead Plaintiff in regard to Andersen's further production of documents in response to the May 2002 requests from Lead Plaintiff. Counsel for Lead Plaintiff advised us that it did not seek additional documents from Andersen.

5. On July 10, 2003, the Court held a hearing on this matter. A copy of excerpts of that transcript is attached as Exhibit B. According to the transcript, Mr. Ruthberg, on behalf of Andersen, stated:

MR. RUTHBERG: We actually were one of the first to produce documents here into the depository. We did not produce 13 million documents. The documents that were demanded by the lead plaintiffs when we culled through and talked with the lead plaintiffs, it turned out what they were really looking for was half a million documents and that's what we produced and they're available in the depository.

Hearing Tr. at 65:10-16.

6. On July 11, 2003, the Court issued a Scheduling Order, setting October 1, 2003 as the date by which document discovery should be "substantially completed." A copy of that Order is attached as Exhibit C.

Other Requests for Documents

7. After the July 10 hearing, but before October 1, Andersen was served with specific requests for documents by the *Title* plaintiffs, the Outside Director Defendants, and the Connecticut Resources Recovery Authority ("CRRRA"). Andersen has responded in writing to and produced documents in response to each of those requests. Andersen later was served with a

Second Request for Documents from the Outside Director Defendants. That request sought documents from the files of certain former Andersen employees and documents relating to specific transactions. I understand that Andersen has completed production of documents from the files of each of the identified individuals. To the extent that there are any responsive documents in Andersen's collection regarding the referenced transactions that have not yet been produced, those documents are being produced in response to the Bank Defendants' request for all Enron related documents, described below.

Bank Defendants' Requests for Documents

8. Andersen was served with a First Request for Production of Documents from the Bank Defendants on or about November 26, 2003. In those requests, the Bank Defendants sought documents previously produced to government entities and civil litigants regarding Enron. In response to the accompanying interrogatories, Andersen identified approximately twenty matters in which it had previously produced documents.

9. In several telephone calls between approximately mid-December 2003 and mid-January 2004, I spoke with counsel for J.P. Morgan (who I understood was acting on behalf of the Bank Defendants) about various issues relating to Andersen's production in response to the Bank Defendants' November 26 request. We discussed, among other things, that Andersen would first produce documents that had been previously produced (those asked for in the November 26 Requests) and would thereafter produce additional documents the Bank Defendants might later request.

10. On January 22, 2004, the Bank Defendants made a second request for documents seeking, among other things, "[a]ll documents concerning Enron." Andersen responded to those requests in writing on or about March 5, 2004. I did not understand this

subsequent request to alter prior discussions in which Andersen agreed that it would first produce documents responsive to the November 26 request.

11. After receipt of the Bank Defendants' requests for documents, Andersen undertook steps to produce responsive documents, beginning with its prior productions. Among other things, Andersen and the Bank Defendants negotiated with Enron a confidentiality stipulation, executed on or about February 19, 2004. Andersen also directed its technology vendor to take steps to eliminate or minimize any duplication in its numerous prior productions. Andersen also scanned and re-bates numbered documents from prior productions as needed.

12. Andersen also twice altered the order of its productions to prioritize certain categories of documents the Bank Defendants requested. For example, the Bank Defendants requested time and billing records, which Andersen gathered and produced before completing its production of its prior productions.

Current Status of the Production

13. As of the date of the Bank Defendants' Motion, I understand that Andersen had produced approximately 1.6 million pages to the Depository. I understand that those documents include any documents in Andersen's collection from the desk files or e-mailboxes of the Andersen individuals noticed for deposition in June and July.

14. By the time Andersen had completed its production pursuant to the November 26 request, Andersen had already begun preparing additional productions. I understand that one such production, consisting of approximately one million additional pages, has now been sent to the Depository.

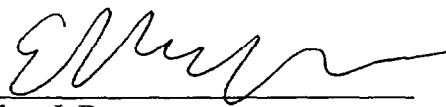
15. Based on discussions with Andersen's technology vendor, I understand that there are now approximately six million pages of responsive documents in Andersen's

Enron collection that have not yet been produced. Andersen's technology vendor has reported that it can complete preparation and production of those documents in approximately 30 days.

16. Although Andersen previously reported that it collected approximately 12-13 million pages of documents for production, a significant number of the electronic documents have now been determined to be unrelated to Enron.

17. The number of pages of documents still to be produced, and accordingly the time needed to produce them, is less than that reported by the Bank Defendants in their Motion. I was unable to obtain from Andersen's technology vendor, and thus unable to provide to the Bank Defendants, the precise numbers prior to the Bank Defendants' filing.

Executed this 25th day of May, 2004 in Los Angeles, California. I declare under penalty of perjury that the foregoing is true and correct.

By: 
Ethan J. Brown

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On May 25, 2004, before me, Ricardo M. Soares,
(Name And Title Of Officer)

personally appeared Ethan J. Brown,

☒ personally known to me

-or-

☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Ricardo M. Soares
Signature Of Notary

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- ☒ Individual
☐ Corporate Officer

- _____
Title(s)
☐ Partner(s) ☐ Limited
☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

Signer is representing:
Name Of Person(s) Or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

Affidavit of Ethan J. Brown

Title Or Type Of Document

5

Number Of Pages

May 25, 2004

Date Of Document

Signer(s) Other Than Named Above

EXHIBIT A

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re ENRON CORP. SECURITIES
DERIVATIVE, & "ERISA" LITIGATION

MDL-1446

MARK NEWBY, et al., Individually and On
Behalf of All Others Similarly Situated,
Plaintiffs,

C.A. No. H-01-3624
AND CONSOLIDATED CASES

v.

ENRON CORP., et al.,
Defendants.

JURY TRIAL REQUESTED

This Document Relates To:

THE REGENTS OF THE UNIVERSITY OF
CALIFORNIA, et al., Individually and On
Behalf of All Others Similarly Situated,
Plaintiffs,

v.

KENNETH L. LAY, et al.,
Defendants.

**OBJECTIONS AND RESPONSES OF DEFENDANT ARTHUR ANDERSEN LLP
TO LEAD PLAINTIFF'S REQUEST FOR PRODUCTION OF DOCUMENTS**

Arthur Andersen LLP ("Andersen") hereby responds and objects to Lead Plaintiff's
Request for Production of Documents (the "Requests").

PRELIMINARY STATEMENT

Andersen's investigation of the facts relating to this case is ongoing as of the date of this response. Further investigation and research may supply additional facts or establish new legal contentions, which may lead to additions to or changes in the present objections and responses. By asserting these objections and attempting to resolve such objections, Andersen does not waive its right to revise or supplement these objections as Andersen's inquiries and consultations proceed or to seek relief from the appropriate forum.

Any statement herein that Andersen will produce documents responsive to a particular request is not a representation that such documents exist or are within the possession, custody or control of Andersen. Rather, such a statement indicates that, if Andersen has such responsive documents within its possession, custody, or control, and the production of those documents is not otherwise objected to, it will produce them in accordance with the Court's Order Establishing Document Depository, subject to the objections of Andersen.

These responses and objections are made without in any way waiving, but, on the contrary, reserving:

1. all questions as to competency, relevance, materiality, privilege, and admissibility as evidence for any purpose of any of the information produced hereunder or the subject matter thereof;
2. the right to object on any ground to the use of the information produced hereunder or the subject matter thereof at any trial or hearing in this matter or in any related or subsequent action or proceeding;
3. the right to object on any ground to a demand for further response or document production; and

4. the right at any time to revise, supplement, correct, or add to this response.

GENERAL OBJECTIONS

1. Andersen objects to the extent the Requests call for the production of documents at this time. Under the provisions of the Private Securities Litigation Reform Act ("PSLRA"), "all discovery is stayed during the pendency of any motion to dismiss." As of the time of this response, the Court has not yet issued a ruling on all outstanding motions to dismiss, and, therefore, the stay of discovery imposed by the PSLRA remains in effect. Andersen will not produce any documents until the PSLRA stay is lifted. Moreover, Lead Plaintiff has recognized that the stay of discovery remains in effect by requesting a conference with the Court on February 7, 2003 to resolve, among other issues, whether discovery against Andersen and the other "secondary actors" should proceed prior to decisions on all motions to dismiss.

2. Andersen objects to the Requests to the extent they seek to impose obligations greater than those imposed by the Federal Rules of Civil Procedure. Andersen further objects to the Requests to the extent they seek to impose obligations different from, in addition to, or inconsistent with the Court's Order Establishing Document Depository.

3. Andersen objects to the Requests to the extent they call for the disclosure of information and the production of documents that contain information protected from disclosure under the attorney-client privilege, the work product doctrine or any other applicable privilege, doctrine, or immunity against disclosure. Andersen will not produce documents subject to such privileges. To the extent Andersen inadvertently provides any information that may arguably be protected from discovery by any such privilege, doctrine or immunity, the disclosure does not constitute a waiver thereof.

4. Andersen objects to the Requests as oppressive, unduly burdensome, and unjustifiably expensive.

5. Andersen objects to the Requests to the extent they are overly broad and call for the production of documents that are irrelevant to the claims or defenses of any party or are not reasonably calculated to lead to the discovery of admissible evidence.

6. Andersen objects to the Requests to the extent they call for the production of documents that are not in Andersen's possession, custody or control.

7. Andersen objects to the Requests to the extent they call for the production of publicly available documents, documents that could be obtained from Lead Plaintiff's own files, or documents that are available from other more convenient sources.

8. Andersen objects to the Requests to the extent they call for the production of trade secrets or confidential, proprietary or sensitive business information prior to the entry of an appropriate stipulation of confidentiality and protective order by this Court pursuant to Rule 26(c) of the Federal Rules of Civil Procedure.

9. Andersen objects to the Requests to the extent they demand sensitive personal information, without an explanation of how these materials could potentially be relevant or why there is good cause to provide them. Andersen objects to the Requests to the extent they impinge on constitutional, statutory or common law, and/or protected rights of privacy.

10. Andersen objects to the Requests to the extent they call for the production of multiple copies of identical documents. Such production is unduly burdensome and expensive.

11. Andersen objects to the Requests to the extent they require the immediate production of documents. To date, Andersen has gathered over 300 boxes of workpapers; 1,600 boxes of desk files; hundreds of computers, floppy disks, and CD-ROMS; and voluminous

network backup data. Andersen will produce documents to the Document Depository in Houston on a rolling basis until such production is complete.

12. Andersen objects to the burden and staggering costs of searching for even more documents than have been gathered in the sweeping discovery process over the past year to collect documents responsive to requests and subpoenas for parties to civil actions and governmental entities, which is described in Andersen's February 12, 2002 Report of Arthur Andersen, LLP on Document Identification, Collection, Restoration, and Retention. The request that Andersen search for additional, and likely irrelevant, documents under the Requests is unduly burdensome and unjustifiably expensive. The cost and burden of such a search far outweighs the possible benefit to Lead Plaintiff. To the extent Andersen agrees to produce responsive documents, the documents produced will be limited to the documents already collected by Andersen.

13. Andersen objects to the Requests to the extent they require a privilege log to be produced concurrently with these written responses and objections. Due to the vast number of documents that have been gathered, it has not yet been possible to complete a privilege log. The creation of a privilege log at this time would be unduly burdensome and impossible under the circumstances within the time period noted. Andersen will prepare a privilege log in accordance with the Court's Order Establishing Document Depository and any subsequent orders from the Court, and will produce such log upon its completion.

14. Andersen objects to the Requests to the extent they seek "any" or "all" documents of a certain type, insofar as such requests are overly broad, unduly burdensome, and are not reasonably calculated to lead to the discovery of admissible evidence.

15. Andersen objects to the Requests to the extent they seek documents "referring to," "relating to," "pertaining to," "evidencing," "embodying," and/or "reflecting" a particular subject (or similar language) on the grounds that such requests are vague, ambiguous, and unduly burdensome. Such requests are not reasonably calculated to obtain information within the scope of Rule 26. Further, without identifying the documents demanded with sufficient particularity, such requests are overly broad and include documents that bear only an attenuated or indirect relationship to the subject matter of this case.

16. Andersen objects to the Requests to the extent they seek documents that are not described with reasonable particularity or are unrelated to the subject matter of this case as such requests are overbroad and unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. Andersen also objects to the Requests to the extent they are vague, indefinite, ambiguous, unduly repetitive, lack a readily discernible meaning, and/or require Andersen to speculate as to the documents sought. Without waiver of these objections, Andersen has made reasonable interpretations of the meanings of such requests and will respond according to such interpretations.

17. Andersen objects to the Requests to the extent they seek discovery that is beyond the scope of discovery permitted under Rule 26.

18. Andersen objects to the extent the Requests call for the production of documents beyond those created or obtained by Andersen personnel in the course of providing services to Enron Corp. (the "Enron Engagements"). The request that Andersen review and produce documents obtained outside the Enron Engagements is overly broad, unduly burdensome, and not reasonably calculated to lead to the discovery of admissible evidence. Andersen will produce only documents created or obtained in the course of the Enron Engagements.

OBJECTIONS TO DEFINITIONS AND INSTRUCTIONS

1. Andersen objects to the definition of "document" to the extent it calls for duplicative copies of the same document in multiple, redundant formats.

2. Andersen objects to the definition of "Enron" on the grounds that such definition is overly broad and unduly burdensome to the extent it seeks to include all of Enron's "subsidiaries, divisions, affiliates (foreign and domestic), predecessors, successors, and any present and former officers, directors, employees, agents, members of the Board of Directors, attorneys, accountants, advisors, and all other persons acting or purporting to act on its behalf." Moreover, such a definition fails to identify the requested documents with reasonable particularity. Andersen will understand the term "Enron" to refer only to Enron Corporation, and its subsidiaries, divisions, past and present officers, directors, and employees.

3. Andersen objects to the definition of "Andersen Defendants" as including Andersen Worldwide S.C. (Andersen Worldwide), Andersen Co. (Andersen India), Arthur Andersen - Puerto Rico, Andersen LLP (Andersen Cayman Islands), Arthur Andersen - Brazil, and Arthur Andersen (Andersen - United Kingdom) on the grounds that it includes entities whose work is not at issue in the litigation. Moreover, this definition includes entities over whose documents Andersen lacks possession, custody or control.

4. Andersen objects to the definition of "Andersen" on the grounds that such definition is overly broad and unduly burdensome to the extent it seeks to include Andersen "and any of its members . . . Arthur Andersen LLP, Andersen Worldwide S.C., and any of their member firms or offices, and any of Andersen's predecessors, successors, parents, subsidiaries, divisions, partnerships and branches; its international, foreign, national, regional and local offices; all present or former officers, directors, partners, employees, agents, attorneys, advisors,

accountants, consultants and all other persons acting or purporting to act on its behalf." Moreover, such a definition includes entities over whose documents Andersen lacks possession, custody or control. Andersen will understand the term "Andersen" to refer only to Arthur Andersen LLP.

5. Andersen objects to the definition of "SPE" on the grounds that such definition is overly broad and unduly burdensome to the extent it seeks to include "all subsidiaries or entities listed in Exhibits A and B," said exhibits totaling more than 100 pages, and to include "without limitation, any other Enron-related subsidiary, joint venture, corporation, limited partnership, private investment limited partnership, intermediate holding company, or trust through which, by which, or to which Enron transferred its ownership of assets, liabilities, or debt . . . [or] any other legal vehicle or entity Enron used for asset securitization." Andersen further objects on the ground that such definition is vague and ambiguous and does not permit identification of the documents sought with reasonable particularity, rendering full compliance with the Requests impossible. Andersen will understand the term "SPE" or "Special Purpose Entity" to have the meaning ascribed to it in the accounting and auditing literature.

6. Andersen objects to the definition of "LJM Partnership(s)" on the grounds that such definition is overly broad and unduly burdensome to the extent it seeks to include "partnerships in which an Enron officer or executive controlled, or owned a limited or general partnership interest in, including, but not limited to, LJM1 or LJM2." Andersen further objects on the ground that such definition is vague and ambiguous and does not permit identification of the documents sought with reasonable particularity, rendering full compliance with the Requests impossible. Andersen will understand the term "LJM Partnerships" to mean LJM1 and/or LJM2.

7. Andersen objects to the definition of the term "workpapers" to the extent said definition includes papers not included in the definition of workpapers in the auditing literature.

8. Andersen objects to Instruction No. 1 to the extent it purports to impose on Andersen obligations in addition to those imposed by Fed. R. Civ. P. 34(a). Andersen will produce only those documents within its "possession, custody or control" as that term is used in Fed. R. Civ. P. 34(a).

9. Andersen objects to Instruction No. 3 to the extent it purports to require Andersen to "organize and label [the documents] to correspond with the categories in these requests." Andersen objects that such instruction is unduly burdensome and imposes unjustifiable expense on Andersen. Andersen objects to the extent this Instruction calls for the production of "original documents" and to the extent it is inconsistent with the Court's Order Establishing Depository Order.

10. Andersen objects to Instruction No. 4, which purports to require Andersen to identify all responsive documents that were previously in its possession or control but are no longer in its possession or control, and for each such document to "state whether it is (a) missing or lost; (b) destroyed; (c) transferred voluntarily or involuntarily to others; or (d) otherwise disposed of, and in each instance identify the name and address of its current or last known custodian; and the circumstances surrounding such disposition." Andersen objects to this instruction on the grounds that it is unduly burdensome and impossible to list every responsive document that may once have been in Andersen's possession, custody or control but is now missing or lost or otherwise disposed of, let alone compile all of the other details requested by Lead Plaintiff.

11. Andersen objects to Instruction No. 5 to the extent it requires the creation of a privilege log within the same time required for answering the Requests. Due to the vast number of documents that have been gathered and the many demands for their review, to date, it has been impossible to complete a privilege log for those document productions that have already commenced. The completion of a privilege log by the date of these responses and objections would be unduly burdensome and impossible under the circumstances. Moreover, Instruction No. 5 is overly burdensome in the amount of detail it purports to require for a privilege log, and purports to require detail beyond that required by the Federal Rules of Civil Procedure and the Court's Order Establishing Document Depository. Andersen will prepare a privilege log in accordance with the Court's Order Establishing Document Depository.

12. Andersen objects to Instruction No. 9, which requires a source list for every document "that clearly identifies who maintained the document and the location it was collected from," on the grounds that it is overly burdensome and impossible under the circumstances. Andersen will provide the information for each document set forth in the Court's Order Establishing Document Depository.

13. Andersen objects to the definition of the relevant time period to the extent it requests all documents generated or received during the period from December 31, 1997 through and including the date of production. This time period is overly broad, unduly burdensome and encompasses documents that are irrelevant to this proceeding and are not reasonably calculated to lead to the discovery of admissible evidence, and that are beyond the scope of discovery permitted by the Federal Rules of Civil Procedure.

**SPECIFIC OBJECTIONS AND RESPONSES
TO INDIVIDUAL DOCUMENT REQUESTS**

REQUEST NO. 1:

All documents concerning any professional services performed by you for Enron, including, but not limited to:

- (a) Audits;
- (b) Consulting;
- (c) Reviews;
- (d) Tax;
- (e) Due Diligence;
- (f) Assurance, Accounting and Attestation; and
- (g) Agreed Upon Procedures.

Objection and Response to Request No. 1:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving its objections, Andersen will produce non-privileged documents responsive to this request.

REQUEST NO. 2:

All workpapers concerning all professional services performed by you for Enron including, but not limited to:

- (a) Audits;
- (b) Consulting;

- (c) Reviews;
- (d) Tax;
- (e) Due Diligence;
- (f) Assurance, Accounting and Attestation; and
- (g) Agreed Upon Procedures.

Objection and Response to Request No. 2:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving its objections, Andersen will produce non-privileged documents responsive to this request.

REQUEST NO. 3:

A complete and final master list of Enron-related workpapers.

Objection and Response to Request No. 3:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving its objections, Andersen will produce non-privileged documents created or obtained in the course of the Enron Engagement that are responsive to this request.

REQUEST NO. 4:

All documents concerning transactions between Enron and Enron-affiliated entities, SPEs, LJM Partnerships, the Investment Banks, any Enron-affiliated entity (including, but not limited to, any offshore entity affiliated with Enron or any of the Investment Banks) or Dynegy.

Objection and Response to Request No. 4:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen further objects on the ground that the phrases "Enron-affiliated entities," and "any Enron-affiliated entities, (including, but not limited to, any offshore entity affiliated with Enron or any of the Investment Banks)" are vague and ambiguous and fail to identify the requested documents with reasonable particularity. Andersen further objects to the extent this Request seeks confidential and proprietary documents belonging to third parties. Subject to and without waiving its objections, Andersen will produce non-privileged documents responsive to this request created or obtained in the course of the Enron Engagements.

REQUEST NO. 5:

All documents concerning risk of financial statement fraud regarding Enron or the litigation risk associated with any Enron Engagement, including, but not limited to, documents concerning FIDO testing or analyses.

Objection and Response to Request No. 5:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of

admissible evidence. Moreover, Andersen objects to the phrases "risk of financial statement fraud," "litigation risk" and "documents concerning FIDO testing or analyses" as undefined, vague and ambiguous. Subject to and without waiving its objections, Andersen will produce non-privileged documents responsive to this request.

REQUEST NO. 6:

All software programs necessary to access and view electronic versions of all electronically-created workpapers.

Objection and Response to Request No. 6:

Subject to and without waiving its foregoing, objections, Andersen states that Andersen's workpapers are not "electronically-created" workpapers that require special software to "access and view."

REQUEST NO. 7:

All documents constituting or concerning communications to, from, or referring to:

- (a) Enron;
- (b) Any LJM Partnership;
- (c) Any Enron-affiliated SPE;
- (d) Any of the Investment Banks (concerning Enron or any Enron-affiliated entity);
- (e) Enron's accounting treatment of SPEs;
- (f) Swaps for natural oil or gas involving Enron or Enron-affiliated entities;
- (g) Enron-affiliated entities located offshore (such as Mahonia or Delta), including, but not limited to, entities located in, or formed pursuant to, the laws in the Cayman Islands or Channel Islands;

- (h) Any law firm representing Enron, Enron-affiliated entities, or LJM Partnerships, including, but not limited to, Vinson & Elkins, L.L.P., Kirkland & Ellis, Andrews & Kurth, or Milbank, Tweed, Hadley & McCloy.

Objection and Response to Request No. 7:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen further objects that the following terms and phrases are undefined and are vague and ambiguous: "Enron-affiliated," "any Enron-affiliated entity," "entities located in or formed pursuant to, the laws in the Cayman Islands or Channel Islands," "any law firm representing Enron, Enron-affiliated entities or LJM Partnerships," "Enron's accounting treatment," "swaps for natural oil or gas," and "offshore." Andersen further objects on the grounds that the documents called for by this request may be subject to the attorney-client privilege or other privilege held by a third party, or are confidential or proprietary documents belonging to a third party. Andersen further objects to this request to the extent it seeks documents unrelated to Enron or Andersen's provision of services to Enron. Subject to and without waiving its objections, Andersen will produce non-privileged documents created or obtained in the course the Enron Engagements that are responsive to this request.

REQUEST NO. 8:

All communications concerning Enron, SPEs, Enron-affiliated entities, the Investment Banks, LJM Partnerships, FIDO testing or analysis, retention or destruction of documents, or Andersen's document retention and destruction policy, between or among any of the following:

- (a) Any of the Andersen Defendants;

- (b) Any Andersen partner who performed work on any Enron Engagement or discussed matters in a consulting capacity with Andersen personnel assigned to any Enron Engagement;
- (c) Any Andersen audit manager performing work on any Enron Engagement;
- (d) Any member of Andersen's Professional Standards Group;
- (e) Any member of the Strategy Advisory Council;
- (f) Any member of the Chairman's Advisory Council;
- (g) Any secretary, administrative assistant, or any other Andersen personnel working for any of the persons identified in ¶¶ (a)-(f) above;
- (h) Davis Polk & Wardwell, prior to November 10, 2001; and
- (i) Any persons within any of ¶¶ (a)-(f) above.

Objection and Response to Request No. 8:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen further objects on the grounds that the terms "Enron-affiliated entities," "retention or destruction of documents," "FIDO testing or analysis," "Strategy Advisory Council," and "Chairman's Advisory Council" are undefined, vague and ambiguous. Moreover, Andersen objects to this request on the grounds that it calls for the disclosure and production of documents that contain information protected from disclosure under the attorney-client privilege, the work product doctrine and other applicable privileges. Andersen further objects to this request to the extent it seeks documents unrelated to Enron or Andersen's provision of services to Enron. Subject to and without waiving its objections, Andersen will

produce non-privileged documents created or obtained in the course of the Enron Engagements that are responsive to this request.

REQUEST NO. 9:

All documents concerning Enron in electronic or paper files maintained by or for each Andersen partner, manager, or other Andersen personnel that performed work on any Enron Engagement, including, but not limited to, documents in "CYA" files.

Objection and Response to Request No. 9:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen further objects to the extent this request purports to require Andersen to search the files of every single employee of Andersen who performed any service for Enron at any time since December 31, 1997, as such a requirement would be overly broad, unduly burdensome, and impose unjustifiable expense on Andersen. Moreover, Andersen objects to this request on the grounds that the term "'CYA' files" is undefined, vague and ambiguous. Subject to and without waiving its objections, Andersen will produce non-privileged documents responsive to this request.

REQUEST NO. 10:

All memos, drafts of memos, or other documents, edited by Shannon Adlong, including, but not limited to, original documents edited by Shannon Adlong (in their pre-edited form) from September 1, 2001 through November 9, 2001.

Objection and Response to Request No. 10:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen further objects on the ground that the term "edited" is undefined, vague and ambiguous. Subject to and without waiving its objections, Andersen will produce non-privileged documents into which Shannon Adlong input edits from September 1, 2001 through November 9, 2001 that relate to the Enron Engagements.

REQUEST NO. 11:

All documents concerning any financial interest, transactions or relationships between Andersen, its members, members' spouses, cohabitants or dependants and Enron or any SPE, including, but not limited to:

- (a) Equity or debt securities, puts, calls, straddles, options or warrants;
- (b) IRA, 401(K);
- (c) Loans or extensions of credit;
- (d) Brokerage accounts;
- (e) Trustee, trusts;
- (f) Joint ventures or partnerships;
- (g) Promoter or underwriter;
- (h) Distributor or marketing arrangements;
- (i) Combining products or services of Andersen with Enron.

Objection and Response to Request No. 11:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen further objects to this request as an impermissible invasion of privacy. Moreover, Andersen objects on the grounds that this request, including but not limited to the terms or phrases "financial interest," "transactions," "trustee, trusts," "promoter," "distributor or marketing arrangements," "combining products or services of Andersen with Enron," and "relationships," is vague and ambiguous. Andersen further objects on the grounds that the request calls for production of documents beyond Andersen's possession, custody, or control.

REQUEST NO. 12:

All documents concerning the potential or actual investment of Enron, any of the Individual Defendants, any of the Andersen Defendants, any of the Investment Banks, or any employees of the aforementioned entities, into entities affiliated with Enron, Andrew Fastow, Michael Kopper, or any of the LJM Partnerships.

Objection and Response to Request No. 12:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen further objects on the grounds that the phrases "entities affiliated with Enron, Andrew Fastow, Michael Kopper, or any of the LJM Partnerships" and "potential investment" are undefined, vague and ambiguous. Andersen further objects to this request on the

grounds that it calls for documents beyond Andersen's possession, custody, or control. Subject to and without waiving its objections, Andersen will produce documents concerning investments by Andersen, Enron, the Individual Defendants, or the Investment Banks in the LJM Partnerships or other Enron-affiliated Special Purpose Entities.

REQUEST NO. 13:

All documents concerning any peer reviews performed by any person or entity regarding:

- (a) Oil and gas;
- (b) Energy industry; and
- (c) Professional services involving Andersen's Houston office.

Objection and Response to Request No. 13:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen objects to the term "peer review" as undefined, vague and ambiguous. Andersen further objects to this request to the extent it calls for the production of documents subject to any applicable privileges, including but not limited to, the self-evaluative privilege. Andersen further objects to this request to the extent it calls for the production of confidential and/or proprietary information belonging to third parties. In addition, Andersen objects to this request to the extent it seeks documents unrelated to Enron or Andersen's provision of professional services to Enron. Moreover, Andersen objects on the ground that documents responsive to this request may be in the possession of third parties, and, therefore, beyond Andersen's possession, custody or control.

REQUEST NO. 14:

All documents regarding the identification of documents or files concerning Enron to be reviewed, retained, or destroyed.

Objection and Response to Request No. 14:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen further objects to this request on the grounds that the phrase "to be reviewed, retained, or destroyed" is undefined, vague and ambiguous. Subject to and without waiving its objections, Andersen will produce non-privileged documents responsive to this request.

REQUEST NO. 15:

All documents concerning the preservation, search for, collection, maintenance, destruction or alteration of any and all documents (including e-mail and other electronic data) concerning Enron that were undertaken with respect to this action, including, without limitation, all such action taken after this action was filed but prior to this request.

Objection and Response to Request No. 15:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence, calls for the disclosure of information protected by the attorney-client privilege and attorney work-product doctrine. Subject to and without waiving its objections, Andersen will produce non-privileged documents responsive to this request.

REQUEST NO. 16:

All Andersen manuals, guides, notices, bulletins, checklists, training manuals, education materials and memoranda relating to Andersen's auditing, accounting, consulting and tax services rendered to clients.

Objection and Response to Request No. 16:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen further objects to this request on the grounds that it is vague and ambiguous.

REQUEST NO. 17:

All documents regarding Andersen Worldwide structure and profit sharing agreements including all agreements between Andersen, Andersen Worldwide S.C., Andersen – US, Accenture, and any limited or general partners of Andersen Worldwide.

Objection and Response to Request No. 17:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen further objects to this request to the extent it calls for the production of documents not in Andersen's possession, custody or control. Andersen further objects to this request on the grounds that it is calls for the production of confidential and/or proprietary business documents. Moreover, Andersen objects to the term "structure" as undefined, vague and ambiguous.

REQUEST NO. 18:

All documents regarding compensation, reviews and evaluations for partners who provided or assisted with any services for Enron.

Objection and Response to Request No. 18:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen further objects to this request as an impermissible invasion of privacy.

REQUEST NO. 19:

All personnel files and evaluations of Andersen personnel who provided any services for or relating to Enron.

Objection and Response to Request No. 19:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen further objects to the extent this request purports to require Andersen to produce documents relating to every single Andersen employee who performed any service for Enron at any time since December 31, 1997, as such a requirement would be overly broad, unduly burdensome, and impose unjustifiable expense on Andersen. Andersen further objects to this request as an impermissible invasion of privacy.

REQUEST NO. 20:

All documents concerning, relating to or comprising communications to or from the SEC, the AICPA, the Public Oversight Board, or the Texas State Board of Accountancy relating to Enron or Andersen's professional services to Enron.

Objection and Response to Request No. 20:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen further objects to this request to the extent production of documents received from the identified governmental entities is inconsistent with Andersen's obligations to the such entities, including obligations to protect such documents from public disclosure. Subject to and without waiving its objections, Andersen will produce non-privileged documents relating to Enron or Andersen's provision of professional services to Enron that Andersen has produced to the SEC, the AICPA, the Public Oversight Board, or the Texas State Board of Accountancy.

REQUEST NO. 21:

All documents given to or received from the AICPA, the Public Oversight Board, or Texas State Board of Accountancy concerning or relating to Enron or Andersen's professional services to Enron.

Objection and Response to Request No. 21:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of

admissible evidence. Andersen further objects to this request to the extent production of documents received from the identified governmental entities is inconsistent with Andersen's obligations to the such entities, including obligations to protect such documents from public disclosure. Subject to and without waiving its objections, Andersen will produce non-privileged documents relating to Enron or Andersen's provision of professional services to Enron. Andersen has produced to the AICPA, the Public Oversight Board, or the Texas State Board of Accountancy.

REQUEST NO. 22:

All documents concerning the adequacy of disclosure in Enron's SEC filings.

Objection and Response to Request No. 22:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Moreover, Andersen objects on the grounds that the term "adequacy of disclosure" is undefined, vague and ambiguous. Subject to and without waiving its objections, Andersen will produce non-privileged documents responsive to this request.

REQUEST NO. 23:

All documents given to or received from the SEC relating to Enron or your professional services to Enron.

Objection and Response to Request No. 23:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of

admissible evidence. Andersen further objects to this request to the extent production of documents received from the SEC is inconsistent with Andersen's obligations to the SEC, including obligations to protect such documents from public disclosure. Subject to and without waiving its objections, Andersen will produce non-privileged documents relating to Enron or Andersen's provision of professional services to Enron that Andersen has produced to the SEC.

REQUEST NO. 24:

All documents given to or received from legislative or regulatory bodies of the U.S. government relating to Enron or your professional services to Enron, including, but not limited to, the Department of Justice, the U.S. Attorney or the U.S. Senate or House of Representatives.

Objection and Response to Request No. 24:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen further objects to the phrase "legislative or regulatory bodies of the US. government" as undefined, vague and ambiguous. Andersen further objects to the extent production of documents received from the governmental entities identified is inconsistent with its obligations to the government, including but not limited to its obligations to protect such documents from public disclosure. Subject to and without waiving its objections, Andersen will produce non-privileged documents relating to Enron or Andersen's provision of professional services to Enron that Andersen has produced to the Department of Justice, the United States Attorney's Office, the United States Senate, and the United States House of Representatives.

REQUEST NO. 25:

All time sheets and time reports relating to professional services performed by you for Enron.

Objection and Response to Request No. 25:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving its objections, Andersen will produce non-privileged documents responsive to this request.

REQUEST NO. 26:

All expense reports relating to services performed by you for Enron.

Objection and Response to Request No. 26:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen further objects to this request as an impermissible violation of privacy. Andersen further objects that the term "expense reports" is vague and ambiguous. Subject to and without waiving its objections, Andersen will produce non-privileged documents responsive to this request.

REQUEST NO. 27:

All documents relating to billings for any professional services performed by you for Enron, including, but not limited to, job summaries.

Objection and Response to Request No. 27:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence, requests confidential business documents. Andersen further objects that the term "job summaries" is undefined, vague and ambiguous. Subject to and without waiving its objections, Andersen will produce non-privileged documents responsive to this request.

REQUEST NO. 28:

All calendars, diaries, appointment books, telephone logs and personal correspondence, chronological files and notebooks and similar documents maintained by you and any of your personnel relating to services performed for Enron.

Objection and Response to Request No. 28:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen further objects to this request to the extent it purports to require Andersen to collect and produce such documents from every single Andersen employee who billed any time to any Enron Engagement at any time since December 31, 1997, as such a requirement would be overly broad, unduly burdensome, and impose unjustifiable expense on Andersen. Andersen further objects to this request as an impermissible violation of privacy. Subject to and without waiving its objections, Andersen will produce non-privileged Enron-related documents and entries responsive to this request.

REQUEST NO. 29:

All documents concerning, relating or referring to your communications regarding Enron with any of the Investment Banks.

Objection and Response to Request No. 29:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving its objections, Andersen will produce non-privileged documents responsive to this request.

REQUEST NO. 30:

All engagement letters, job proposals and marketing materials relating to service provided, or proposed or contemplated to Enron.

Objection and Response to Request No. 30:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence, requests confidential business documents. Subject to and without waiving its objections, Andersen will produce non-privileged documents responsive to this request.

REQUEST NO. 31:

All video tapes or other audio or visual media referring or relating to Enron.

Objection and Response to Request No. 31:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are

irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving its objections, Andersen will produce non-privileged documents responsive to this request.

REQUEST NO. 32:

All documents concerning any communication regarding Enron with any other certified public accountants or certified public accounting firm.

Objection and Response to Request No. 32:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving its objections, Andersen will produce non-privileged documents responsive to this request.

REQUEST NO. 33:

Documents concerning all public and non-public statements made by your partners, members or professional employees regarding Enron.

Objection and Response to Request No. 33:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen further objects that this request calls for documents beyond the possession, custody or control of Andersen. Subject to and without waiving its objections, Andersen will produce non-privileged documents responsive to this request.

REQUEST NO. 34:

All documents concerning disciplinary actions or claims for professional malpractice relating to you or any of your partners, members or professional employees who performed services in connection with Enron.

Objection and Response to Request No. 34:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen further objects to the extent this request purports to require Andersen to collect and produce documents relating to any employee of Andersen that billed any to Enron Engagements since December 31, 1997. Andersen further objects to this request on the grounds that it constitutes an impermissible invasion of privacy.

REQUEST NO. 35:

All documents, including insurance policies and agreements, under which any insurer may be liable to satisfy all or part of a judgment which may be entered in this action or to indemnify or reimburse any defendant for payments made to satisfy any judgment, settlement or expense in connection with this action.

Objection and Response to Request No. 35:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen further objects on the ground that this request seeks confidential

business documents. Andersen further objects to this request to the extent it seeks information in excess of that which plaintiff is entitled under Rule 26(a)(1)(D).

REQUEST NO. 36:

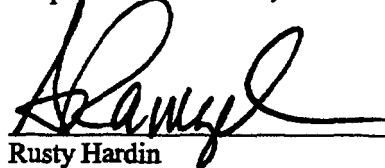
All documents concerning or relating to Andersen Client Service Team meetings regarding Enron including, but not limited to, minutes, notes, memos and "depth charts."

Objection and Response to Request No. 36:

In addition to and without waiving its foregoing objections, Andersen objects to this request on the grounds that it is overly broad and unduly burdensome, seeks documents that are irrelevant to this proceeding, and is not reasonably calculated to lead to the discovery of admissible evidence. Andersen further objects on the grounds that the terms "Client Service Team Meetings" and "depth charts" are undefined, vague and ambiguous. Subject to and without waiving its objections, Andersen will produce non-privileged documents responsive to this request.

Dated: January 20, 2003

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rusty Hardin", written over a horizontal line.

Rusty Hardin
State Bar No. 08972800
S.D. Tex. I.D. No. 19424

Attorney-in-Charge for
Defendant Arthur Andersen LLP

OF COUNSEL

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(except for certain banks)

CERTIFICATE OF SERVICE

I certify that on this 20TH day of January, 2003, a true and correct copy of the foregoing pleading was served on all counsel pursuant to the Court's orders concerning service in this action.



Andrew Ramzel

EXHIBIT B

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF TEXAS
3 HOUSTON DIVISION
4 MARK NEWBY, ET AL . C.A. NO. H-01-3624
5 VS. . HOUSTON, TEXAS
6 ENRON CORPORATION, . JULY 10, 2003
7 ET AL . 9:00 A.M. to 11:00 A.M.

8 PAMELA M. TITTLE, ET AL . C.A. NO. H-01-3913
9 VS. .
10 ENRON CORP., ET AL .

13 IN RE ENRON CORP. SECURITIES, . MDL-1446
14 DERIVATIVE & ERISA LITIGATION .

15
16 TRANSCRIPT OF HEARING
17 BEFORE THE HONORABLE MELINDA HARMON
18 UNITED STATES DISTRICT JUDGE

19 APPEARANCES:

20 SEE SIGN-IN SHEETS ATTACHED TO THE COURT'S MINUTES

21 OFFICIAL COURT REPORTER: MS. KATHY L. METZGER
22 U.S. Courthouse
23 515 Rusk
24 Room 8016
Houston, Texas 77002
713-250-5208

25 Proceedings recorded by mechanical stenography, transcript
produced by computer-aided transcription.

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1 We're not in favor of waiting for summary judgment necessarily
2 until May. If things can be done sooner, that's great. But we
3 would oppose any effort to try to accelerate any particular
4 case out of this vast mix of cases. Thank you, Your Honor.

5 THE COURT: Let me ask you a question. I'm going back
6 to Ms. Patrick's PowerPoint presentation and the Arthur
7 Andersen screen that said we produced X million copies of
8 documents and then we stopped. What's the status of that at
9 this point? Are y'all still stopped or what's the deal?

10 MR. RUTHBERG: No, Your Honor. We actually were one
11 of the first to produce documents here into the depository. We
12 did not produce 13 million documents. The documents that were
13 demanded by the lead plaintiffs when we culled through and
14 talked with the lead plaintiffs, it turned out what they were
15 really looking for was half a million documents and that's what
16 we produced and they're available in the depository.

17 THE COURT: All right. Okay. Thank you.

18 MR. RUTHBERG: Thank you, Your Honor.

19 MR. HARDIN: Your Honor, if I may on that. Good
20 morning.

21 THE COURT: Good morning.

22 MR. HARDIN: Rusty Hardin on behalf of Arthur
23 Andersen, also. Mr. Ruthberg and Cathy Palmer here from Latham
24 & Watkins are coordinating all the lawsuits against Arthur
25 Andersen around the country and will be very involved and .

1 before the Court. But the documents I believe that Ms. Patrick

EXHIBIT C

United States Court
Southern District of Texas
ENTERED

JUL 11 2003

Michael N. Milby, Clerk

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

**In Re ENRON CORPORATION
SECURITIES, DERIVATIVE &
"PRISA" LITIGATION,**

உருவம்

MDL 1446

MARK NEWBY, ET AL.,

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Plaintiffs

VS.

2012

CIVIL ACTION NO. H-01-3624
AND CONSOLIDATED CASES

ENRON CORPORATION, ET AL.,

100 400 100

Defendants

PAMELA M. TITTLE, on behalf of \$
herself and a class of persons \$
similarly situated, ET AL., \$

2000

Plaintiffs

VS.

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CIVIL ACTION NO. H-01-3913
CONSOLIDATED CASES

ENRON CORP., an Oregon
Corporation, ET AL.,

क

Defendants.

AMERICAN NATIONAL INSURANCE
COMPANY, ET AL.,

100

Plaintiffs,

VS.

123 121 122

CIVIL ACTION NO. G-02585

ARTHUR ANDERSEN LLP, ET AL.,

2015

Defendants.

AMERICAN NATIONAL INSURANCE
COMPANY, ET AL.,

12/25/2011

Plaintiffs.

vs.

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CIVIL ACTION NO. G-02-723

CITIGROUP, INC., ET AL.,

RESEARCH

Defendants.

128

MARY PAIN PEARSON, ET AL.,

Plaintiffs,

VS.

CIVIL ACTION NO. H-02-3786

ANDREW S. FASTOW, ET AL.,

Defendants.

FRED A. ROSEN, ET AL.,

Plaintiffs,

VS.

CIVIL ACTION NO. H-02-3787

ANDREW S. FASTOW, ET AL.,

Defendants.

HAROLD AHLYCH, ET AL.,

Plaintiffs,

VS.

CIVIL ACTION NO. H-02-3794

ARTHUR ANDERSEN LLP, ET AL.

Defendants.

OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF ENRON CORPORATION,

Plaintiffs,

VS.

CIVIL ACTION NO. H-02-3939

ANDREW S. FASTOW, ET AL.,

Defendants.

SCHEDULING ORDER

Having reviewed the submissions of counsel and heard counsel's views on scheduling at the conference on July 10, 2003, the Court emphasizes that the purpose of multidistrict litigation is to establish a discovery process that is orderly, efficient, focused, and observant of the rights of all litigants to

investigate the facts relevant to their claims. In such a massive litigation as this, some otherwise valid arguments for expedited proceedings or individualized treatment necessarily must be trumped by the need for systematic, nonduplicative, coordinated discovery. After careful consideration, the Court

ORDERS that the following schedule is now in effect.

I. Consolidated/Related/Coordinated Cases (those not currently proceeding under the controlling *Newby* and *Tittle* consolidated complaints)

A. Counsel for those Plaintiffs who at this time have decided to proceed under the *Newby* or *Tittle* consolidated amended complaints instead of under their own petitions/complaints shall file a statement to that effect and move to dismiss their own petitions/complaints within two weeks from entry of this order.

B. All other suits shall be stayed as to the filing of amended pleadings and/or responsive pleadings until the motions for class certification in *Newby* and *Tittle* are resolved by the Court, but discovery may proceed.

C. Once the Court has ruled on the class certification motions, Plaintiffs in each

remaining consolidated/related/coordinated suit shall within two weeks of entry of the relevant class certification order either (1) elect whether to proceed under the consolidated amended complaint in *Newby* or *Tittle*, or both if appropriate, and dismiss their initial petitions/complaints or (2) file a statement that they will proceed under their own petitions/complaints, or request leave to amend their own pleadings.

D. Defendants shall file any amended responsive pleadings within 30 days of the filing of such an amended complaint. Plaintiffs' replies shall be filed within 30 days of the filing of motions to dismiss.

E. IN ALL AMENDED PLEADINGS, COUNSEL SHALL NOT REITERATE ALLEGATIONS OR ARGUMENTS PREVIOUSLY REJECTED BY THIS COURT IN RULINGS ON MOTIONS TO DISMISS THE CONSOLIDATED COMPLAINTS.

P. Discovery shall proceed in accord with the schedule established below for *Newby* and *Tittle*. Plaintiffs' counsel shall work with Lead Counsel in *Newby* and *Tittle* to establish a procedure for participation in that discovery to avoid duplication of discovery

sought by Lead Counsel in Newby and Tittle shall serve as the base line and shall be presumptively adequate; counsel for the consolidated/related/coordinated cases shall avoid duplicative or overlapping document requests and must show Newby or Tittle Lead Counsel, and only if necessary the Court, that their, additional or supplemental requests are for relevant materials that are new and/or unique to their claims. All counsel shall comply with the format established previously in Newby and Tittle for documents to be deposited in the central depository. Lead Counsel for Newby and Tittle shall circulate and discuss with counsel for the consolidated/related/coordinated actions any stipulated proposals such as the protocol proposal for depositions or the proposal relating to confidentiality concerns.

II. Newby and Tittle

A. Newby Class Certification

1. Discovery deadline . . . Sept. 15, 2003.¹

¹ The Court denies Mr. Lerach's request to rule on class certification issues before deposing class representatives, but urges counsel to work together to reduce the cost by having a few representative counsel attend the depositions and ask non-redundant questions submitted by co-counsel, as suggested by Ms.

2. Defendants' Responses to Motion for Class Certification Oct. 16, 2003.
3. Lead Plaintiff's Reply . .Nov. 17, 2003.
- B. Tittle Plaintiffs may move to supplement class certification briefing after the Court rules on the motions to dismiss, if appropriate.
- C. General Discovery
 1. Document production shall be substantially completed by Oct. 1, 2003.
 2. Depositions shall not be taken before January 10, 2004 without court approval based on a showing of need.
 3. Deadline for joining new parties or filing third-party complaints or cross complaints is January 10, 2004. New parties must produce documents within 30 days after denial of any motions to dismiss.
 4. Fact discovery shall be completed by Dec. 17, 2004.
 5. Plaintiffs' expert witnesses named and their comprehensive opinion reports furnished by January 7, 2005.

Patrick.

6. Defendants' expert witnesses named and their comprehensive opinion reports furnished by February 25, 2005.
7. Plaintiffs' rebuttal expert witnesses named and their comprehensive opinion reports furnished by March 15, 2005.
8. Expert discovery completed by April 15, 2005.
9. Motions for summary judgment may be filed up to May 2, 2005.
 - a. Opposition to a motion for summary judgment filed before April 15, 2005 are due 45 days after the date the motion is filed.
 - b. Opposition to a motion filed after April 15, 2005 is due by July 1, 2005.
 - c. All replies are due 30 days after the opposition is filed.
10. Joint Pretrial Orders in Newby and Tittle shall be filed by September 15, 2005.
11. Pretrial Conference at 1:30 p.m. on Oct. 3, 2005.
12. Trials begin on October 17, 2005 at 9:00 a.m.

The Court will address the motions to remand as soon as it issues its decision on the Tittle motions to dismiss,

In light of this order, the Court

ORDERS that the following motions are MOOT: (1) American National Insurance Company et al.'s motion to lift stay in G-02-299, G-02-0723, G-03-0463, and H-03-1276 to allow participation in discovery (#1546 in Newby); and (2) UBS PaineWebber, Inc. and UBS Warburg LLC's motion to stay related NASD arbitration (#53 in member case H-02-851, Lamkin et al. v. UBS PaineWebber, Inc. et al.). The Court also

ORDERS that the agreed motion (#1544) for briefing schedule relating to Bank Defendants' motions to dismiss is GRANTED.

Finally, the Court commends counsel's professional conduct thus far in resolving with commitment, hard work, and creativity the many difficulties of moving this complex litigation forward. The Court is confident that with such dedication continuing, these cases can be litigated in a orderly manner with all parties having a fair day in court.

SIGNED at Houston, Texas, this 11th day of July, 2003.


MELINDA HARMON
UNITED STATES DISTRICT JUDGE